

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7313

BILL NUMBER: HB 1627

NOTE PREPARED: Feb 16, 2009

BILL AMENDED: Feb 9, 2009

SUBJECT: Prescriptions and Insurance Matters.

FIRST AUTHOR: Rep. Fry

FIRST SPONSOR: Sen. Paul

BILL STATUS: As Passed House

FUNDS AFFECTED: ___GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill makes various changes to the law concerning (1) prescriptions for visually impaired individuals; (2) disclosures of insurer information; (3) insurer annual audited financial reporting; (4) records of insurer securities holdings; (5) certain insurance holding company transactions; (6) insurance producer licensing and continuing education; (7) insurance administrator licensing; (8) an unauthorized insurers exception in relation to an industrial insured; (9) consistency in compliance with laws by various types of insurers and health maintenance organizations; (10) small employer group insurance requirements; and (11) coverage for dialysis treatment.

It makes conforming amendments. The bill repeals (1) definitions of unused terms for purposes of the annual audited financial reporting law; (2) a provision concerning notice of claim recoding by insurance administrators; and (3) an obsolete cross reference for purposes of the small employer group insurance law.

Effective Date: (Amended) Upon passage; July 1, 2009.

Explanation of State Expenditures: (Revised) The Department of Insurance (DOI) will require no staffing changes as a result of the bill. State expenditures for the DOI should remain constant.

(Additional fiscal information, if any, pertaining to the provision pertaining to prescriptions will be provided when it becomes available.)

Explanation of State Revenues: The bill increases the fee from \$50 to \$100 for an annual license for a third-party insurance administrator. This increase will generate around \$14,000 annually. The bill also increases the rate that applies to independently procured insurance by about 1.2%. This provision will result

in a minimal increase in revenue. License fee revenue is deposited in the Department of Insurance Fund, which is used to finance the operations of the Department of Insurance.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: DOI.

Local Agencies Affected:

Information Sources: Carol Cutter, Deputy Commissioner, and Cindy Donovan, Deputy Commissioner of Financial Services Operations, DOI, 232-2408.

Fiscal Analyst: Bernadette Bartlett, 317-232-9586.